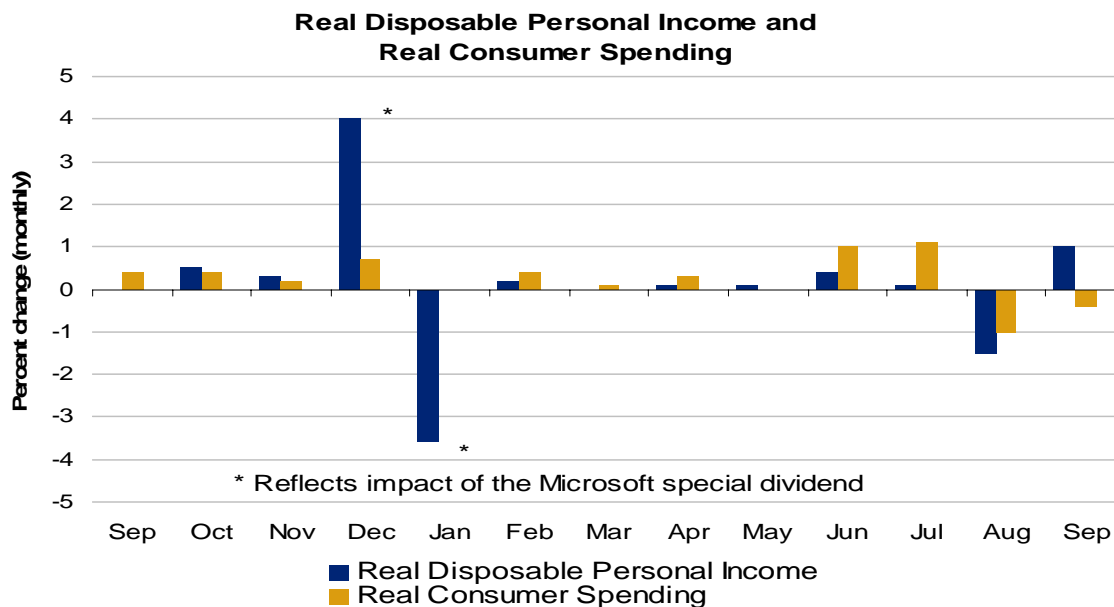


INFLATION-ADJUSTED INCOME INCREASED AND SPENDING DECREASED IN SEPTEMBER

Personal Income Estimates

After-tax income received by individuals adjusted for inflation—real disposable personal income (DPI)—increased 1.0 percent in September, after decreasing 1.5 percent in August, according to estimates released today by the U.S. Bureau of Economic Analysis. Real consumer spending decreased 0.4 percent in September after decreasing 1.0 percent in August. Over the past 12 months, real DPI increased 1.5 percent, and real consumer spending increased 2.9 percent.



Personal income—the total income received by individuals, before taxes and *not* adjusted for inflation—increased \$173.5 billion (or 1.7 percent) in September, after decreasing \$94.9 billion (or -0.9 percent) in August.

- Wages and salaries increased \$17 billion in September, after increasing \$6 billion in August.
- Hurricane Effects: Rental income of persons and proprietors' income together were reduced by about \$5 billion (at an annual rate) in September and by about \$240 billion (at an annual rate) in August to reflect the uninsured losses of residential and business property. Other current transfer receipts from business (net) were boosted by about \$7 billion (at an annual rate) in September and by about \$120 billion (at an annual rate) in August to reflect insurance benefits paid to persons.

For more information on how disasters can affect GDP, personal income, and their components, please see the FAQs on "Hurricane Katrina" on the BEA Web site.

Consumer spending *not* adjusted for inflation increased \$44 billion in September, after decreasing \$48 billion in August.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov.

NOTE: On December 1, 2005, the October estimate of Personal Income will be released.

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